



*Office of the United States Attorney
District of Arizona*

FOR IMMEDIATE RELEASE
Friday, March 3, 2006

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BROTHER & SISTER SENTENCED FOR MORTGAGE FRAUD

PHOENIX – Leonel Estrella, 33, and Maria Carmen Garcia, 42, brother and sister of Phoenix, were each sentenced here yesterday by U.S. District Judge James A. Teilborg to five years probation and are required to pay restitution of \$117,564. Both defendants pleaded guilty to a charge of fraudulently obtaining FHA mortgage insurance.

Estrella, a licensed Arizona real estate agent, and Garcia, a loan officer, admitted that they conspired to submit false statements to the U.S. Department of Housing and Urban Development (HUD) while employed at various realty and mortgage companies in the Phoenix metropolitan area. The pair submitted falsified employment and income documents as well as credit reports to HUD in order to qualify their mutual clients for FHA-insured home loans.

In addition, Estrella knowingly executed a scheme to defraud Washington Mutual Bank by preparing false wage documents. The false documents were submitted to the bank in order to obtain conventional home loans for Estrella's clients.

Estrella obtained more than \$96,000 in real estate commissions and Garcia received more than \$34,000 in fees from the fraud. Restitution was ordered to cover the government's and the lending company's losses from the defaulted fraudulent loans that were foreclosed upon during 2003.

The investigation preceding the indictment was conducted by Special Agents of the Office of Inspector General, U.S. Department of Housing and Urban Development. The prosecution was handled by Richard I. Mesh, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-05-0183-PHX
RELEASE NUMBER 2006-035(Estrella)

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